



# ESTIMATED REVENUES

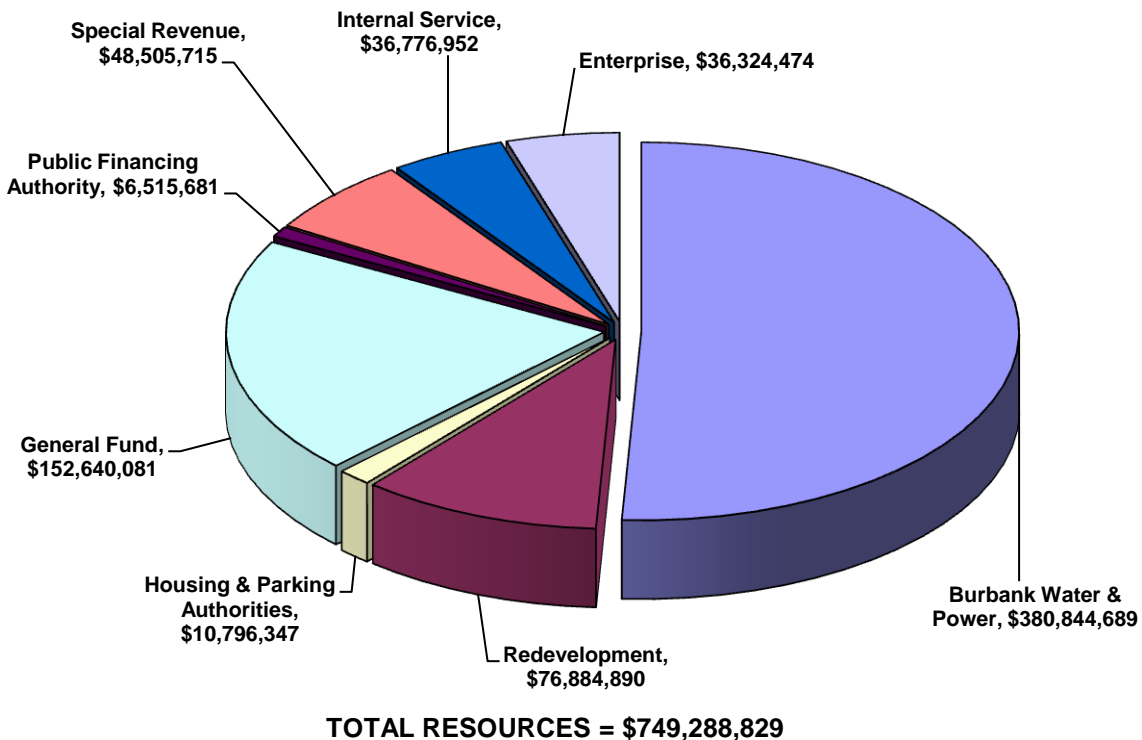
This section presents the Adopted FY 2011-12 City of Burbank estimated revenues for all funds. The section is organized as follows:

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# CITY OF BURBANK REVENUE SUMMARY

FUND/FUND GROUP	ESTIMATED RESOURCES*
General Fund	\$152,640,081
Special Revenue Funds (incl. Cap. Projects Fund)	\$48,505,715
Internal Service Funds	\$36,776,952
Water Reclamation & Sewer	\$17,297,171
Golf Fund	\$2,584,257
Water and Electric (BWP)	\$380,844,689
Refuse Collection and Disposal	\$16,443,046
Redevelopment Agency	\$76,884,890
Public Financing Authority	\$6,515,681
Housing Authority	\$9,877,658
Parking Authority	\$918,689
<b>TOTAL ALL FUNDS</b>	<b>\$749,288,829</b>

\* Resources represent the total sources available to each fund, such as taxes, fees, charges, sales, interest and use of fund balance (from bonds, depreciation and retained earnings).



## **CITY OF BURBANK REVENUE OVERVIEW**

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The Fiscal Year (FY) 2011-12 revenue budget was prepared using some basic assumptions about growth of projected revenues based on the Consumer Price Index, proposed fee increases, and available economic data. General Fund revenues for FY 2011-12 are expected to increase by 1.7% from the original recurring revenue estimates from FY 2010-11. After growing an average of more than 5% during the five years ended June 2008, this represents a significant shift in General Fund Revenue trends. Much of this change can be attributed to the overall state of the local economy. After years of unsustainable growth, the real estate market declined. Burbank residential housing sales prices are currently over 20% below the peak in 2006. Burbank unemployment which had been 4% as recently as December 2007, has hovered around 10% the past several months.

Sales, property and utility users taxes (UUT) are the three largest sources of funds, representing 53% of General Fund revenues. Sales tax is projected to increase 11.4% from the original FY 2010-11 estimates. This is caused by increased fuel prices, the economic recovery, as well as the effect of several prior year one time negative audit adjustments initiated by the Board of Equalization. Property tax is projected to increase 1.4% and UUT will have no growth from the adopted 2010-11 forecast. Provisions in Proposition 13 cause property tax to be a lagging indicator of current real estate prices. UUT is affected by natural gas prices, which have stabilized at a lower level, offsetting moderate growth in wireless communications. As internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services. In response to these ongoing challenges, the Council approved a ballot measure for the April 2011 general election. Measure U was passed by the voters, which put in place modern telecommunication definitions and removed ambiguities as to whether certain services are subject to the UUT. There was no change in the UUT rate which remains at 7% for electricity, natural gas and telecommunications.

In June 2011 Governor Brown signed an on-time balanced State budget, which includes significant ongoing impacts to local agencies as well as continued use of one time funds. The largest impact is to local redevelopment agencies (RDA). The budget essentially dissolves RDAs while providing cities the option to continue their RDAs if the host jurisdiction enacts a continuation ordinance and remits payments to the State. FY 2011-12 statewide continuation payments total \$1.7 billion and \$400 million in subsequent years. If Burbank wishes its RDA to continue operations, the estimated payment is \$18.6 million in FY 2011-12 and approximately \$4.4 million in subsequent years. Another State budget impact to Burbank's General Fund is vehicle license fees (VLF). The 2009 State budget included a temporary 0.15% increase in the VLF rate that was used to continue funding certain law enforcement grants and services. That increase expired on June 30, 2011. In order to fund these grants, the FY 2011-12 State budget redirects all locally allocated VLF away from cities. Burbank will lose approximately \$379,600 in VLF revenue. The State budget also includes measures that will trigger mid year program cuts if revenues do not meet projections. If these cuts are enacted, Burbank will lose approximately \$203,000 in library funding.

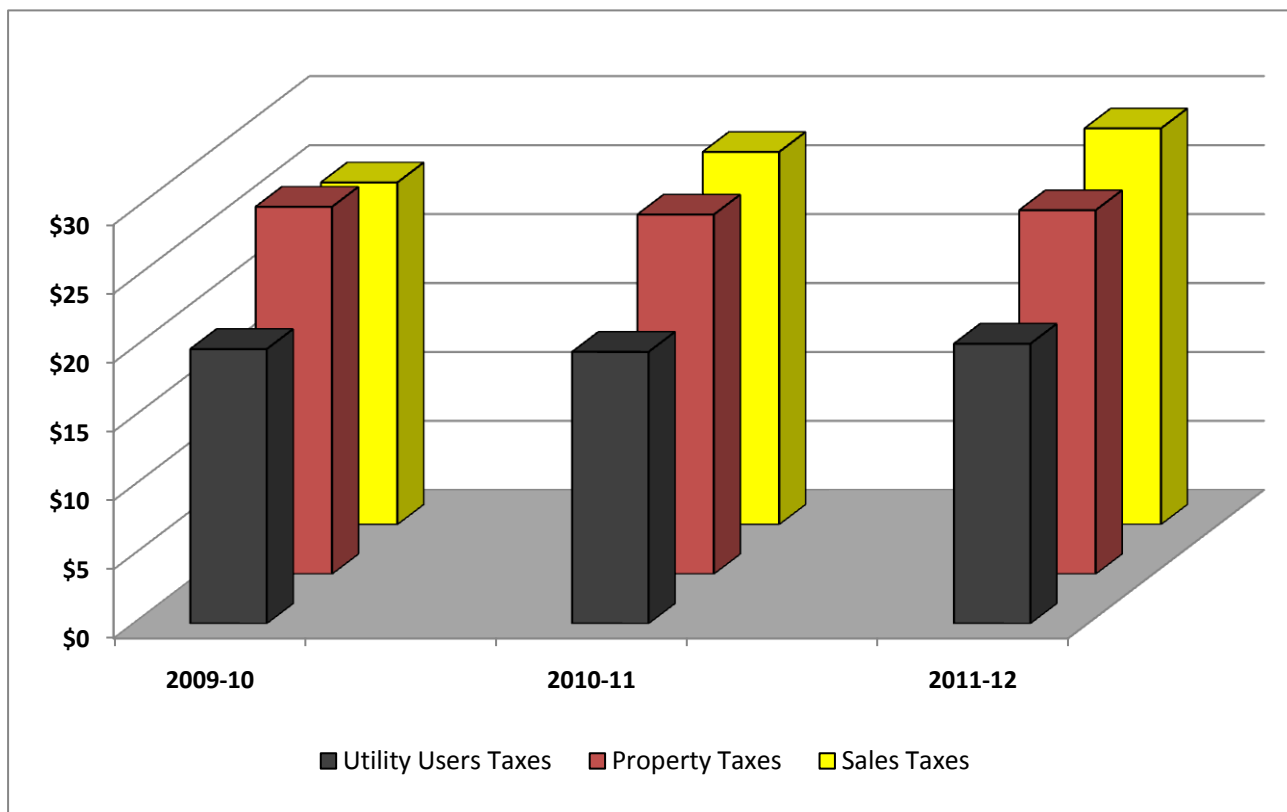
The City of Burbank continues to strive to provide the highest quality of service by taking into consideration the concerns and interests of the past year, and integrating these into a vision dedicated to meeting the needs of our citizens. This is accomplished by making fiscally responsible decisions (structuring a solid forecasting model) that will ultimately strengthen the organization, thereby improving the financial integrity of our City.

The General Fund provides for City services that citizens associate with local government. This includes safety services - fire and police, park, recreation and senior programs, library programs, planning, street maintenance, and building inspections. During FY 2006-07, a comprehensive review of fees was undertaken to ensure that costs are recouped as much as practical. The recommendations were incorporated into the fee schedule which is reviewed as part of the budget adoption process. City staff periodically assesses the fee schedule to ensure costs are continuing to be recouped. It is important to note that while the City Council annually adopts a Fee Schedule outlining many of the fees charged within the City, the majority of General Fund revenue is beyond the City's control.

The City's economy continues to slowly recover along with the region and state. General Fund revenue are expected to gradually increase over the next few years. As mentioned above, Burbank's UUT ordinance was modernized with voter approval, providing additional protection of an important local revenue used to fund local services.

The following chart highlights the top three revenue sources for General Fund dollars: sales tax, property tax and utility users tax.

**TOP GENERAL FUND REVENUE CATEGORIES**  
\$ in millions



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### ***FINANCIAL FORECASTING***

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Each year as part of the annual budget process, Financial Services provides an update to the General Fund's Five-Year Financial Forecast. These forecasts portray what is anticipated in the future, based on stated assumptions, and are only as reliable as the underlying assumptions. The intended purpose of this process is to gain an understanding of long-term financial trends, thus allowing the City to make informed financial decisions during the budget process while understanding the future financial impacts, particularly for recurring appropriations. Revenue assumptions are updated annually and throughout the year based on current results and anticipated trend. The Forecast includes estimated revenues from economic development projects that are expected to come on-line during the five year forecast.

**CITY OF BURBANK**  
**REVENUE SUMMARY- ALL FUNDS (RECURRING & NON-RECURRING)\***  
**FY 2007-08 through FY 2011-12**

	<b>FY 2007-08 ACTUAL</b>	<b>FY 2008-09 ACTUAL</b>	<b>FY 2009-10 ACTUAL</b>	<b>FY 2010-11 ADOPTED</b>	<b>FY 2011-12 ADOPTED</b>
<b>CITY GOVERNMENTAL FUNDS</b>					
<i>General Fund, Fund 001</i>	\$ 149,726,804	\$ 147,561,964	\$143,044,904	\$145,201,639	\$ 152,640,081
<i>Proposition A, Fund 104</i>	2,037,910	1,856,769	1,673,396	2,550,987	2,418,015
<i>Proposition C, Fund 105</i>	1,733,528	1,886,476	1,601,945	1,900,730	1,597,752
<i>AQMD, Fund 106</i>	235,486	95,808	160,935	161,632	164,561
<i>Measure R, Fund 107</i>			683,239	789,900	919,232
<i>Operating Grants, Fund 121</i>	260,083	179,271	315,035	164,220	172,220
<i>CDBG, Fund 122</i>	1,526,584	1,549,440	867,595	1,279,797	1,099,205
<i>Drug Asset Forfeiture, Fund 124</i>	1,086,566	187,339	126,128	155,040	140,000
<i>State Gas Tax, Fund 125</i>	1,936,465	2,476,787	2,795,236	2,894,853	2,906,768
<i>Public Improvement, Fund 127</i>	5,286,100	3,512,495	2,252,401	4,995,028	1,753,271
<i>HOME Program, Fund 128</i>	796,938	79,761	82,673	853,702	790,300
<i>Street Lighting, Fund 129</i>	2,393,160	2,538,811	2,274,339	2,775,096	2,541,000
<i>YES Fund, Fund 130</i>	1,234,915	1,658,955	1,766,054	1,715,545	1,745,101
<i>Community Service (BCSF), Fund 131</i>	1,000	1,000	1,002		1,000
<i>Tieton Hydropower Project, Fund 133</i>					1,375,000
<i>BWP, Magnolia Power Plant Fund 483</i>	17,804,185	18,551,000	22,936,078	26,882,058	26,480,206
<i>Genl City Capital Projects, Fund 370</i>	33,060,638	14,003,112	8,861,501	5,124,518	4,402,084
<b>PROPRIETARY FUNDS</b>					
<i>Genl Liability Insurance, Fund 530</i>	4,631,641	4,183,800	4,911,285	6,002,080	6,104,456
<i>Workers Comp Insurance, Fund 531</i>	8,089,621	8,212,538	8,648,980	8,656,684	9,375,365
<i>Vehicle Equip Replacement, Fund 532</i>	10,377,680	9,292,726	10,964,935	10,368,749	8,891,674
<i>Office Equip Replacement, Fund 533</i>	872,715	760,925	1,142,858	889,498	702,658
<i>Municipal Bldg. Replacement, Fund 534</i>	3,231,447	2,637,773	2,538,890	3,838,062	3,646,560
<i>Communication Equip, Fund 535</i>	2,808,094	2,764,537	2,636,240	3,858,692	3,579,942
<i>Info Systems Replacement, Fund 537</i>	3,493,262	2,946,221	4,015,645	2,668,039	4,476,297
<i>Water Reclamation &amp; Sewer, Fund 494</i>	14,984,602	14,790,443	15,815,990	18,832,285	17,297,171
<i>Golf, Fund 495</i>	1,865,352	1,477,222	1,741,776	2,468,674	2,584,257
<i>BWP, Electric Fund 496</i>	388,949,242	291,013,000	238,714,274	397,883,755	340,221,775
<i>BWP, Water Fund 497</i>	25,571,184	23,240,000	23,170,738	40,147,983	40,622,914
<i>Refuse Collection &amp; Disposal, Fund 498</i>	13,194,623	14,343,119	15,471,825	16,325,423	16,443,046
<b>REDEVELOPMENT AGENCY</b>					
<i>Golden State Debt Svc, Fund 201</i>	24,779,313	29,864,575	29,790,018	26,770,141	26,115,051
<i>City Centre Debt Svc, Fund 202</i>	9,984,243	10,429,342	11,105,769	10,702,243	10,542,948
<i>West Olive Debt Svc, Fund 203</i>	8,671,247	10,778,303	11,457,819	10,194,074	10,827,778
<i>So San Fernando Debt Serv, Fund 204</i>	2,990,113	3,991,723	3,288,894	3,202,008	2,902,088
<i>Comm. Facilities District Debt Service, Fund 207</i>	263,685	364,077	592,433	590,009	591,800
<i>West Olive Cap Projects, Fund 303</i>	2,328,724	2,138,114	2,543,204	862,094	2,235,259
<i>Low/Moderate Housing, Fund 305</i>	11,161,271	13,629,789	12,172,064	10,333,834	10,821,112
<i>Merged Project Area, Fund 306</i>	15,249,166	13,365,570	19,417,491	15,821,171	12,848,854
<b>PUBLIC FINANCING AUTHORITY</b>					
<i>PFA Capital Projects, Fund 320</i>	4,152,341	4,531,058	5,264,198	6,247,681	6,515,681
<b>HOUSING AUTHORITY</b>					
<i>Housing Vouchers, Fund 117</i>	8,332,443	8,122,889	8,875,255	9,073,302	9,877,658
<b>PARKING AUTHORITY</b>					
<i>Parking Authority Cap Proj, Fund 310</i>	876,800	1,164,137	863,881	797,559	918,689
<b>TOTAL</b>	<b>\$ 785,979,171</b>	<b>\$ 670,180,869</b>	<b>\$ 624,586,923</b>	<b>\$ 803,978,785</b>	<b>\$ 749,288,829</b>

\* Resources represent total sources available, including use of fund balance (from bonds, depreciation & retained earnings)

# CITY OF BURBANK

## REVENUE SUMMARY - RECURRING

Actual 2009-10	% OF TOTAL	Revised 2010-11	% OF TOTAL	Adopted 2011-12	% OF TOTAL
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### GENERAL FUND 001 TAXES

Sales Tax	18,674,747	13.06%	20,786,952	14.75%	21,826,299	15.23%
Property Taxes	26,631,720	18.62%	26,069,694	18.50%	26,383,000	18.41%
Utility Users Tax (UUT)	19,907,521	13.92%	19,701,275	13.98%	20,292,313	14.16%
In Lieu Of Taxes - BWP	8,706,727	6.09%	8,968,782	6.36%	9,400,000	6.56%
Sales Tax Triple Flip In-Lieu	6,129,146	4.28%	6,231,678	4.42%	6,898,468	4.81%
Transient Occupancy Tax	5,272,544	3.69%	5,175,350	3.67%	5,434,118	3.79%
Transient Parking Tax	2,758,815	1.93%	2,638,574	1.87%	2,770,502	1.93%
Franchises	1,615,864	1.13%	1,578,186	1.12%	1,875,000	1.31%
Real Property Transfer Tax	380,024	0.27%	300,000	0.21%	350,000	0.24%
<b>Total Taxes</b>	<b>90,077,108</b>	<b>62.97%</b>	<b>91,450,491</b>	<b>64.90%</b>	<b>95,229,700</b>	<b>66.45%</b>

### LICENSES & PERMITS

Business Tax	1,842,070	1.29%	1,860,046	1.32%	1,913,000	1.33%
Building Permits	938,532	0.66%	1,016,040	0.72%	984,200	0.69%
Other Licenses	192,802	0.13%	209,900	0.15%	271,770	0.19%
Other Permits	217,351	0.15%	155,500	0.11%	138,489	0.10%
Business Licenses	303,588	0.21%	280,000	0.20%	285,000	0.20%
Studio Filming Permits	186,108	0.13%	140,500	0.10%	140,500	0.10%
<b>Total Licenses &amp; Permits</b>	<b>3,680,451</b>	<b>2.57%</b>	<b>3,661,986</b>	<b>2.60%</b>	<b>3,732,959</b>	<b>2.60%</b>

### FINES, FORFEITURES, & PENALTIES

Parking Fines	1,898,511	1.33%	2,030,021	1.44%	1,600,000	1.12%
Traffic Fines	695,937	0.49%	683,652	0.49%	600,000	0.42%
Other Fines & Forfeitures	2,520	0.00%	67,457	0.05%	275,000	0.19%
<b>Total Fines, Forfeitures &amp; Penalties</b>	<b>2,596,968</b>	<b>1.82%</b>	<b>2,781,130</b>	<b>1.97%</b>	<b>2,475,000</b>	<b>1.73%</b>

### USE OF MONEY OR PROPERTY

Interest	2,213,165	1.55%	1,200,000	0.85%	827,000	0.58%
Advertising	335,015	0.23%	308,880	0.22%	324,440	0.23%
Donations	189,923	0.13%	177,000	0.13%	166,000	0.12%
Rental	90,046	0.06%	41,600	0.03%	85,600	0.06%
Miscellaneous	191,416	0.13%	948,700	0.67%	68,700	0.05%
<b>Total Use Of Money Or Property</b>	<b>3,019,565</b>	<b>2.11%</b>	<b>2,676,180</b>	<b>1.90%</b>	<b>1,471,740</b>	<b>1.03%</b>

### INTERGOVERNMENTAL REVENUES

Motor Vehicle In Lieu Tax	8,759,537	6.12%	8,552,562	6.07%	8,670,394	6.05%
Grants-Park Rec & Comm Svcs	1,399,125	0.98%	528,674	0.38%	528,674	0.10%
Grants-Library	197,545	0.14%	137,055	0.10%	137,055	0.10%
Grants-Other	474,425	0.33%	246,572	0.17%	1,800	0.00%
Grants-Safety	1,361,316	0.95%	186,420	0.13%	455,203	0.32%
<b>Total Intergovernmental Revenues</b>	<b>12,191,948</b>	<b>8.52%</b>	<b>9,651,283</b>	<b>6.85%</b>	<b>9,793,126</b>	<b>6.83%</b>

### INTRA-CITY SERVICE CHARGES

Indirect Charges	11,087,360	7.75%	11,758,741	8.34%	12,163,047	8.49%
Direct Charges	6,995,327	4.89%	7,890,548	5.60%	6,818,172	4.76%
<b>Total Intra-City Service Charges</b>	<b>18,082,687</b>	<b>12.64%</b>	<b>19,649,289</b>	<b>13.94%</b>	<b>18,981,219</b>	<b>13.25%</b>

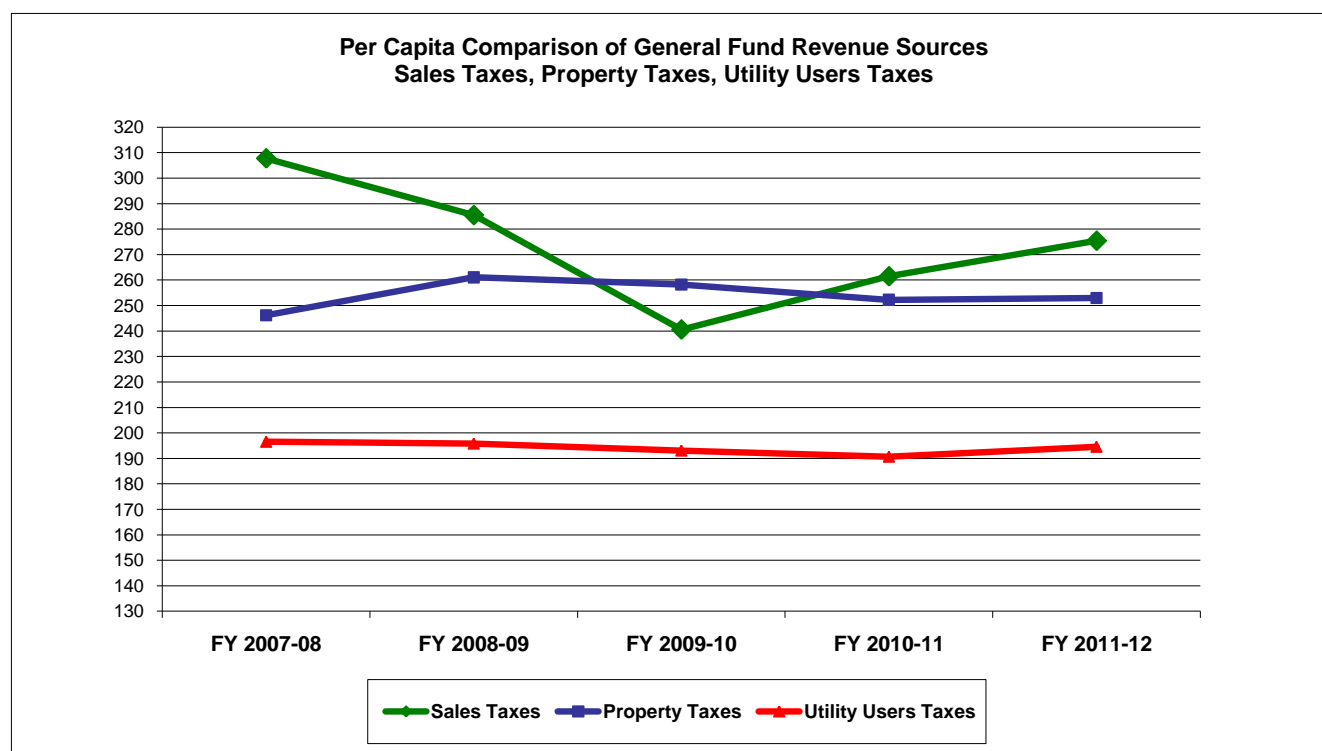
# CITY OF BURBANK

## REVENUE SUMMARY - RECURRING

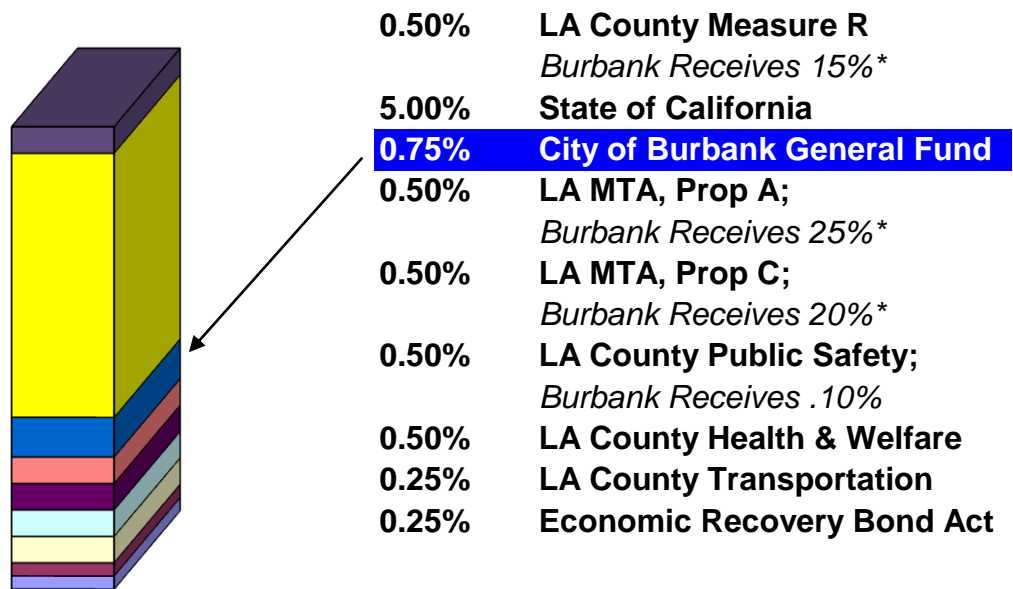
	Actual 2009-10	% OF TOTAL	Revised 2010-11	% OF TOTAL	Adopted 2011-12	% OF TOTAL
<b>SERVICE CHARGES</b>						
Other	2,137,140	1.49%	1,784,001	1.27%	2,877,697	2.01%
Recreation Fees	3,588,146	2.51%	3,357,400	2.38%	3,573,538	2.49%
Emergency Medical Services	1,884,575	1.32%	1,895,924	1.35%	1,760,000	1.23%
Plan Check Fees	484,612	0.34%	713,126	0.51%	476,170	0.33%
Safety Services Filming	895,825	0.63%	877,215	0.62%	800,000	0.56%
Encroachment Permits	442,007	0.31%	214,810	0.15%	150,000	0.10%
Environmental Impact Report	255,749	0.18%	304,046	0.22%	13,000	0.01%
Traffic Signal Maintenance	(9,959)	-0.01%	-	0.00%	-	0.00%
<b>Total Service Charges</b>	<b>9,678,095</b>	<b>6.77%</b>	<b>9,146,522</b>	<b>6.49%</b>	<b>9,650,405</b>	<b>6.73%</b>
<b>OTHER CONTRIB FROM OTHER FUNDS</b>	<b>3,718,081</b>	<b>2.60%</b>	<b>1,899,730</b>	<b>1.35%</b>	<b>1,971,371</b>	<b>1.38%</b>
<b>Total General Fund Recurring Revenue</b>	<b>143,044,903</b>	<b>100.00%</b>	<b>140,916,611</b>	<b>100.00%</b>	<b>143,305,520</b>	<b>100.00%</b>
Plus Non-Recurring Revenue			4,355,675		9,334,561	
Use of Unrestricted Reserves*						
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$143,044,903</b>		<b>\$145,272,286</b>		<b>\$152,640,081</b>	

\*Effective FY 2006-07, the non-recurring and unrestricted reserves is included to better illustrate the total resources used.

The following chart summarizes a comparison of the top three General Fund revenue sources on a per capita basis. While utility users tax and property tax have remained relatively stable during the recession, sales tax has experienced a sharp dip and subsequent recovery. This illustrates the volatility of sales tax in relation to economic stimuli.



## Allocation of the Burbank Taxpayer's 8.75% Sales Tax



\* This is referred to as "Local Return" dollars for Burbank Transportation Projects/Services. The City can also compete for a small portion of the remaining percentage for use on specific one-time transportation projects.

**NOTE:** Effective FY 2004-05, the State redirects one-quarter cent of Burbank's 1% Sales Tax portion to the State to pay deficit retirement bonds ("triple flip"). In exchange, it will fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account.

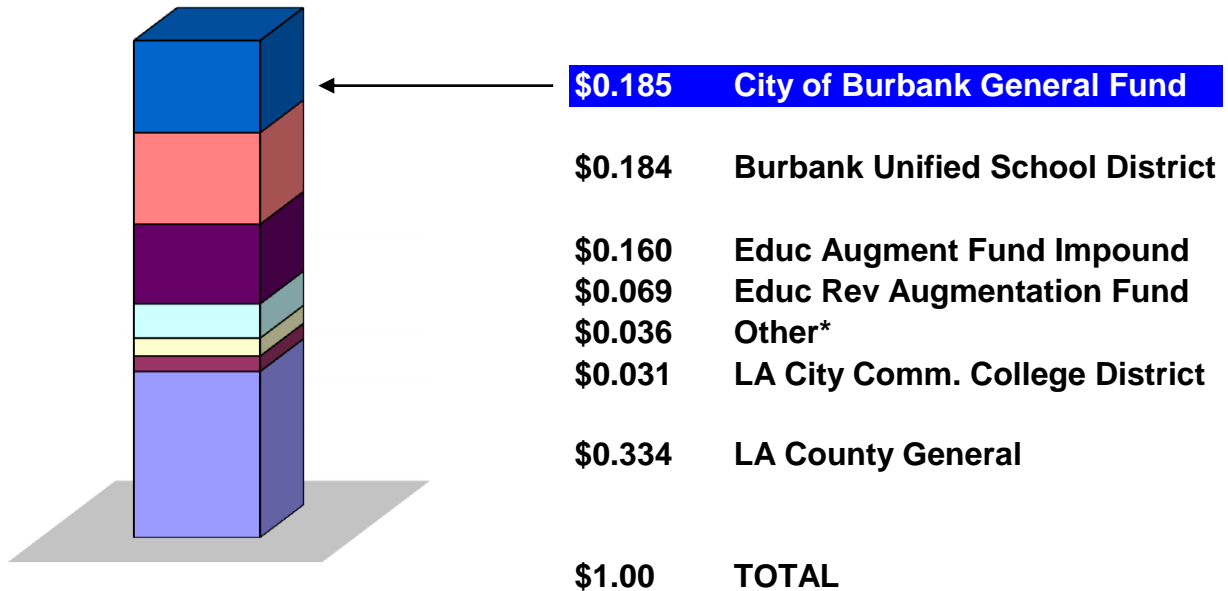
### TOP SALES TAX PRODUCERS

(listed alphabetically)

Arri	Ikea
Best Buy	Key Code Media
Carmax	Lowes
Community Chevrolet	Macys
Comtel Pro Media	Office Depot
Costco	Ralphs
CVS Pharmacy	Rapid Gas
Enterprise Rent A Car	Sears & Great Indoors
Frys Electronics	Target
Fuji Medical Systems	Vons
G & M Oil	Warner Bros Studio Facilities
Hertz	World Fuel Services
Home Depot	



## Allocation of the Burbank Taxpayer's Property Tax



\* Includes LA County Flood Control Maintenance; County School Services Fund Burbank; LA County Fire-FFW; Children's Institutional Tuition Fund; LA County Flood Control District Improvement District Maintenance; Burbank Children's Center Fund; County School Services; Southeast Mosquito Abatement District; LA Community College Children's Center Fund; LA County Accumulative Capital Outlay.

**NOTE:** Effective FY 2004-05, the State restored the ERAF shift from property taxes but permanently reduced the vehicle license fee (VLF) backfill.

### TOP PROPERTY TAXPAYERS (listed alphabetically)

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Burbank Empire Center LLC  
 Burbank Mall Association LLC  
 Casden Burbank LLC  
 Catalina Media Development LLC  
 DB Real Estate The Pinnacle LP  
 Earth Star  
 PHF II Burbank LLC  
 Southwest Airlines  
 Walt Disney Pictures and Television  
 Warner Brothers Entertainment

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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The top three General Fund revenues are Sales Taxes, Property Taxes, and Utility Users Taxes. The City of Burbank's recurring revenues are anticipated to increase 1.7% over the Adopted Fiscal Year (FY) 2010-11 revenue projections. Most revenue categories are expected to increase based on the most current economic data available. However, a few categories are projected to decrease. Revenue is expected to recover in the coming years but at a slower growth rate than in the past.

After suffering through what many economists have termed the worst recession since the 1930s, national and local economies have entered a recovery period. Thus far the economic growth rate has been slower than past recoveries, hiring has lagged and the unemployment rate remains stubbornly high. These factors have tempered the five year forecast.

**Sales Tax** is the largest source of revenue for the City, and generally reflects the state of the economy. Due to the recession and several one time adjustments by the Board of Equalization, sales tax revenue was less than property tax during FY 2009-10. With the improving economy, sales tax is expected to return as the largest revenue during FY 2010-11 and 2011-12. A review of sales tax returns shows that sales tax revenue has mirrored the economy with steady growth except during times of economic retraction. City sales tax revenue decreased during the recessions of the early 1990s and 2000-2002. Sales tax also declined during the recent recession, with declines seen during fiscal years ended 2009 and 2010. By January 2011 it was clear the recovery would continue, and at mid year the FY 2010-11 adopted sales tax forecast was increased by 4.6%. Sales tax revenue has continued to rebound during FY 2010-11, and FY 2011-12 sales tax is expected to increase 6.3% relative to the revised FY 2010-11 estimate.

Sales taxes are imposed on all applicable retail and commercial businesses selling goods in the City. This tax is based on the sales price of any taxable transaction relating to taxable personal property. In accordance with the City's Bradley-Burns Uniform Sales Tax ordinance, the Board of Equalization allocates the City's sales tax, 1% of taxable sales occurring in Burbank, to the City. Beginning in FY 2004-05, the State redirected one-quarter cent of the local Sales Tax to the State to pay deficit retirement bonds. In exchange, it has fully offset local government revenue by redirecting a commensurate amount of Property Tax from the Education Revenue Augmentation Fund (ERAF). Due to this change in allocation, 25% of Burbank's prior year's Sales Tax has been segregated into a separate revenue account (Sales Tax Triple Flip In-Lieu), earmarked for this use.



In 1992, Proposition 163 became part of the California Constitution precluding the State, cities, counties, and special districts from imposing a sales or use tax on food products intended for home consumption.

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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Proposition 172 increased sales tax by ½ cent effective January 1, 1994 for local public safety. The tax is imposed by the State and distributed to cities and counties. The allocation basis is the proportionate loss from the property tax transfer enacted with the 1993-94 State budget. Funds may be forfeited if a city decreases funding for public safety services below funding in 1992-93. Burbank is in no immediate jeopardy of decreasing its funding.

Calendar year 2009 saw two increases to the sales tax rate, neither of which have a direct impact on sales tax allocations to the City. Effective April 1, 2009 the Legislature increased the statewide sales and use tax by 1%. All additional funds were allocated to the State General Fund as part of an attempt to balance the State budget. Since the Legislature did not extend the increase, it expired on July 1, 2011 and the State rate reverted back to 5%. Also, Los Angeles County voters approved Measure R, a 0.5% increase in sales tax rate. This will finance new transportation projects and programs, and accelerate many of those already in the pipeline. Burbank receives its share of Measure R money in a special revenue fund, as their use is restricted to transportation related projects. The total sales tax rate for most cities in Los Angeles County, including Burbank, is currently 8.75%.

The continued growth of electronic commerce is a risk area to the future growth of the City's sales tax revenues. E-commerce continues to grow and it has two negative impacts to the City: (1) It shifts current sales tax revenues from Burbank businesses to internet companies. The City receives 1% of the taxable sales of Burbank businesses versus receiving a small portion of the County or State sales tax pools, if any; and (2) Encourages non-compliance of existing sales and use tax laws. Internet purchases are subject to either a sales (using the "brick and mortar" test) or use tax; however, the State Board of Equalization has no effective methodology for auditing individual use tax liability.

In an effort to increase sales and use tax collected by internet retailers, in June 2011 the Governor signed into law ABX1 28. This bill expands the definition of a retailer engaged in business in this state to include any retailer entering into an agreement with a California resident under which the resident, for a commission, refers potential customers. In reaction to this legislation, large internet retailers have already taken action including efforts to qualify a ballot measure nullifying the internet sales tax, considering legal action against the State, and ending marketing agreements with in-State businesses. Sales tax collected from internet retailers will most likely be allocated via county-wide pools. It is expected that any benefit reaching Burbank will be minimal.

The City continues to pursue economic development opportunities in an effort to best position ourselves during the current recovery. Those efforts along with a tepid recovery have had a positive impact. Among others the following retailers have recently come to Burbank, filling vacancies incurred during the recession: Ashley Furniture, Nordstrom Rack, Burlington Coat Factory, and TJ Maxx. On an adjusted basis, first quarter 2011 sales tax revenue increased by 8.7% compared to 2010. For comparison Los Angeles County and the State increased 7.3% and 9.2% respectively.

**Property Taxes** have traditionally been a stable source of revenue for cities. The authority to levy property tax is stipulated within the California Constitution and the Revenue and Taxation Code. Property taxes are assessed on real property and tangible personal property within California.

A general ad valorem tax is imposed on real property (land and permanently attached improvements) and tangible personal property (movable property). The County administers distribution of this general tax revenue which is unrestricted. Properties are separated into two categories: Secured Property and Unsecured Property. Locally assessed real property is appraised at the base year value and adjusted each year after 1975 by the change in the Consumer Price Index not to exceed 2%. Re-appraisal may take place upon a change in ownership or new

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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construction. Prior to adoption of Proposition 13 in 1978, a governmental entity could set a property tax rate annually. Post Proposition 13, a single countywide rate was effective set at 1%, and the state was given the authority to allocate property taxes within counties. Of this 1%, the City of Burbank General Fund receives approximately 18.5%. Property tax is one of the General Fund's top three revenues.



Typically property that does not change ownership is limited to a 2% annual assessed value (AV) growth, based on inflation. For the first time since Prop 13 passed, there was deflation in California. As a result, AV declined (0.23%) in 2010. Since then the consumer price index has once again increased and AV in 2011 increased 0.75%. Taking these factors into consideration, a 1.4% increase over the revised FY 10-11 budget can be expected.

**Utility Users Tax** has declined slightly the past few years due to the recession, low natural gas prices, and an unusually mild summer. Since UUT is the third largest revenue source to the General Fund, it will be important for the City to continue monitoring proposed State and Federal legislation related to UUT as current legislative proposals may threaten this revenue stream to the City. As internet technology advances, combining phone and video services, the City of Burbank is concerned about the potential for regulatory changes that will restrict the ability to protect the "time, manner and place" of the use of public rights-of-way, as well as their ability to charge fees and taxes to pay for related local services. In response to these ongoing challenges, the Council approved a ballot measure for the April 2011 general election. Measure U was passed by the voters, which put in place modern telecommunication definitions and removed ambiguities as to whether certain services are subject to UUT. There was no change in the UUT rate which remains at 7%. At mid year, the adopted forecast was revised down \$2.9% due to an unexpectedly cool summer and lower than anticipated telecommunications revenue. Because of the economic recovery and stabilized gas prices, UUT is expected to increase 3% from the revised FY 2011-12 forecast.

**In-lieu tax** is paid by the City's Burbank Water & Power Department (BWP) instead of paying a franchise fee. This revenue source represents a total charge of 6.5% on retail electric sales and 5% of all water sales. The electric sales charge is deposited into two funds: the General Fund (Fund 001) receives 5% and the Street Lighting Fund (Fund 129) receives the remaining 1.5%. The 5% water sales charge is deposited into the General Fund. In-Lieu of Taxes-BWP represents the sixth largest General Fund revenue. Based on utility revenue forecasts, this revenue category is projected to increase by 4.8% over the current FY 2010-11 estimate, primarily due to water rate increases.

**Transient Occupancy Tax (TOT)** otherwise known as a "Bed Tax," is a 10% tax applied to the cost of occupying a room in a hotel, inn, motel, tourist home, or other lodging facility within the City's limits. This tax collects revenue for the use of City services by non-residents who would not likely otherwise contribute to the provision of these services. TOT revenue has recovered during FY 2010-11. The continued economic recovery should increase TOT 5% over the FY 2010-11 forecast.



**CITY OF BURBANK  
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The **Transient Parking Tax (TPT)** was increased from 11% to 12% effective July 2005. It is charged to customers, and collected and remitted to the City by parking lot operators who charge for their services for parking for short periods of time (e.g., airport, businesses, hotels, and restaurants). Monthly (or long term parking), and medical facilities are exempt. More than 90% of TPT is derived from lots serving the Bob Hope Airport. After two years of steep declines, passenger counts have somewhat stabilized. TPT should slowly recover starting in FY 2011-12. TPT is forecasted to increase 5% and includes the latest increase in parking rates at the airport.

**Franchise Fees** are imposed on various companies using “public rights-of-way” to conduct their business operations. Such fees include: a 5% Franchise Fee on cable television gross receipts; 1% fee on natural gas gross receipts; a 2% fee on receipts arising from electricity transmission by private companies; and, a 2% fee on receipts arising from the use of pipelines within the City. The forecasted increase is mostly due to the recently implemented PEG or Public Education and Government Access fee.

**Business Taxes** are imposed for the privilege of conducting business within the City. Business Taxes are considerably lower than many other Los Angeles County cities even though thousands of businesses operate in Burbank. Fees range from a flat amount applicable to specific business types to a graduated formula according to sales, number of employees and square footage. The tax rate is based on the Producers Price Index. This index increased 4% for FY 2011-12. This increase has been incorporated in the FY 2011-12 forecast which is expected to be 2.8% higher than the current year projection.

**Building Permits** are required by the City to ensure that structures meet specific standards. The City requires various construction permits for activities such as the installation of electric, plumbing and sewage facilities. A fee is levied for these permits in order to recover only the costs incurred. FY 2011-12 revenue is expected to increase by only 1% due to continued lower levels of development. This projection includes fee increases to recover costs. These increases should mitigate any decrease in permit activity if that should occur in the coming year. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

**Licenses** are collected for certain types of activities within City boundaries such as Business Licenses, Horse Licenses or Dog Licenses.

**Parking Fines** issued by the Police Department represents a small portion of General Fund revenues. Effective December 2010 the County increased the fees it charges to local agencies to process parking citations by \$3. In response to the County action, at mid year the City raised citations by \$3 (except for street cleaning violations) to offset the potential loss in revenue. A \$3 increase to street cleaning violations was approved during the FY 2011-12 budget approval process.



**Traffic Fines** are collected from moving violations issued by the Police Department. They are issued for both City and California Highway Patrol traffic violations, with the majority of the revenue going to the State of California.

**Interest Income** represents another significant revenue source. The City Treasurer invests idle funds in various investment instruments and the City's portfolio receives interest income. The main investment goal is to protect each investment while achieving the highest rate of return. The City Treasurer's goal is to achieve an average annual investment portfolio yield of 1.50% during FY 2011-12. The FY 2011-12 forecast has decreased significantly because of two factors. The first

**CITY OF BURBANK  
GENERAL FUND  
REVENUE SOURCES AND DESCRIPTION SUMMARY**

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being lower rates of return combined with lower cash balances. Also, the current year FY 10-11 forecast includes the estimated benefit to the City derived from prepaying contributions to CalPERS. It appears that in FY 2011-12 the City will not earn an immediate financial benefit by prepaying PERS contributions, because of changes in CalPERS' assumptions and calculations. The elimination of the prepayment benefit has magnified the decrease in this revenue stream.

**Motor Vehicle In-Lieu of Taxes** represent a State vehicle license fee imposed on California motorists for the privilege of operating a motor vehicle on the public highways. All motor vehicles registered in the State were subject to the 2% fee imposed in-lieu of property taxes. Cities, such as Burbank, received a portion of the fees collected on vehicles registered within their city limits based on each city's population. In 1998, the State had reduced the amount paid by vehicle owners and made up the difference ("backfilling") to local agencies.

As part of the 2004 state budget, the fees paid by motorists have been reduced permanently to 0.65% from 2%, and a property tax backfill has been permanently established. The amount of property tax received in lieu of VLF is tied to the City's gross assessed value of taxable property. As part of the State Budget approved in February 2009, the VLF rate was temporarily increased by 0.15% to fund law enforcement grants. Since the increase was not renewed by the Legislature, it expired on June 30, 2011. In order to fund these law enforcement grants, the FY 2011-12 State budget redirects all locally allocated VLF (the 0.65% rate) away from cities. Because of this, Burbank stands to lose VLF general fund revenue totaling \$379,600. Without prior disclosure, the State took this action on June 29, 2011, subsequent to Burbank's budget adoption on June 14. Any changes to the budget will be reflected in the first quarter update to Council.

**Direct and Indirect Charges to Other Funds (Administrative Services):** General Fund programs and staff provide services such as police protection, fire suppression and tree trimming, to a wide range of residents and businesses. However, some staff and services are utilized to support non-General Fund activities. Charges are derived from allocating the program and service costs and the respective departments are charged accordingly.

**Plan Check Fees** are charged to developers to cover a portion of the cost of processing building and structure plans. The fee is a percent of the permit and inspection fees for building construction, including new construction, additions or alterations to a building or structure. Due to continued reduced levels of construction activity throughout the City, staff anticipates this revenue source to decrease slightly during FY 2011-12. The California Constitution limits these fees to the cost reasonably borne by the City to provide the services.

**Safety Services Filming:** One of the benefits of having numerous studios and production companies within the City's boundaries is that hundreds of movies, television shows and commercials are filmed in Burbank every year. Location shoots require safety personnel to be available to manage traffic, watch over sets, and ensure that fire prevention regulations are enforced, among other duties. The City charges fees to the production companies to recoup its costs for providing this safety staffing.

**Interfund Transfers** or contributions from other funds are made to the General Fund for assorted purposes. Every year, the General Fund receives a contribution from the Gas Tax Fund (Fund 125) to offset the costs of staffing engineers and other support personnel for road construction projects. Other interfund transfers are typically of a one-time nature.

**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL	Adopted 2011-12	% OF TOTAL
<b>SPECIAL REVENUE FUNDS</b>						
Proposition A, Fund 104	1,673,396	3.6%	1,703,621	3.6%	1,559,606	3.6%
Proposition C, Fund 105	1,601,945	3.5%	1,448,015	3.1%	1,375,410	3.2%
AQMD, Fund 106	160,935	0.3%	135,265	0.3%	117,800	0.3%
Measure R, Fund 107	683,239	1.5%	789,900	1.7%	919,232	2.1%
Operating Grants, Fund 121	315,035	0.7%	164,220	0.3%	172,220	0.4%
CDBG, Fund 122	867,595	1.9%	1,279,797	2.7%	1,068,206	2.5%
Drug Asset Forfeiture, Fund 124	126,128	0.3%	155,040	0.3%	140,000	0.3%
State Gas Tax, Fund 125	2,795,236	6.0%	2,894,853	6.2%	2,906,768	6.8%
Public Improvement, Fund 127	2,252,401	4.9%	4,995,028	10.6%	471,000	1.1%
HOME Program, Fund 128	82,673	0.2%	777,377	1.7%	790,300	1.8%
Street Lighting, Fund 129	2,274,339	4.9%	2,672,000	5.7%	2,541,000	5.9%
YES Fund, Fund 130	1,766,054	3.8%	1,715,545	3.6%	1,745,101	4.1%
Community Service (BCSF), Fund 131	1,002	0.0%	-	0.0%	1,000	0.0%
Tieton Hydropower Project, Fund 133					1,375,000	3.2%
Magnolia Power Plant, Fund 483	22,936,078	49.4%	26,882,058	57.2%	26,480,206	61.6%
Genl City Cap Projects, Fund 370	8,861,501	19.1%	1,398,000	3.0%	1,327,614	3.1%
<b>Total Special Revenue</b>	<b>\$ 46,397,557</b>	<b>100.0%</b>	<b>\$ 47,010,719</b>	<b>100.0%</b>	<b>\$ 42,990,463</b>	<b>100.0%</b>

<b>INTERNAL SERVICE FUNDS</b>						
General Liability Insurance, Fund 530	4,911,285	14.1%	4,988,441	17.7%	5,342,113	18.7%
Workers Comp Insurance, Fund 531	8,648,980	24.8%	7,112,000	25.2%	9,375,365	32.7%
Vehicle Equip Replacement, Fund 532	10,964,935	31.5%	7,980,161	28.3%	7,531,239	26.3%
Office Equip Replacement, Fund 533	1,142,858	3.3%	452,224	1.6%	307,639	1.1%
Municipal Building Replacement, Fund 534	2,538,890	7.3%	2,391,000	8.5%	1,571,383	5.5%
Communication Equip, Fund 535	2,636,240	7.6%	2,575,100	9.1%	2,586,400	9.0%
Info Systems Replacement, Fund 537	4,015,645	11.5%	2,668,039	9.5%	1,913,122	6.7%
<b>Total Internal Service</b>	<b>\$ 34,858,833</b>	<b>100.0%</b>	<b>\$ 28,166,965</b>	<b>100.0%</b>	<b>\$ 28,627,261</b>	<b>100.0%</b>

**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
(Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL	Adopted 2011-12	% OF TOTAL
<b>ENTERPRISE FUNDS</b>						
<b>Water Reclamation/Sewer, Fund 494</b>	<b>15,815,990</b>	<b>5.4%</b>	<b>15,823,961</b>	<b>3.9%</b>	<b>16,097,409</b>	<b>4.4%</b>
Sewer Service Charges	14,424,366		14,966,061		15,419,703	
Interest/Other	1,357,261		535,254		345,933	
Permits & Inspection	6,630		11,550		11,550	
Sewer Facilities Charge	27,733		311,096		320,223	
<b>Golf, Fund 495</b>	<b>1,741,776</b>	<b>0.6%</b>	<b>2,248,177</b>	<b>0.5%</b>	<b>1,867,000</b>	<b>0.5%</b>
Green Fees	1,090,674		1,396,177		1,186,000	
Electric Cart Rental	427,042		600,000		521,000	
Other	224,060		252,000		160,000	
<b>Electric, Fund 496</b>	<b>238,714,274</b>	<b>80.9%</b>	<b>347,572,088</b>	<b>84.8%</b>	<b>300,520,051</b>	<b>83.0%</b>
Wholesale	75,945,974		160,000,000		120,500,000	
Retail	154,173,689		175,252,031		170,047,743	
Aid in Construction	1,634,062		3,085,000		1,939,000	
Interest	1,765,172		1,800,257		1,010,508	
Miscellaneous	5,195,377		7,434,800		7,022,800	
<b>Water Fund 497</b>	<b>23,170,738</b>	<b>7.9%</b>	<b>27,954,894</b>	<b>6.8%</b>	<b>27,110,780</b>	<b>7.5%</b>
Potable Water Sales	19,797,996		24,009,295		23,267,920	
Reclaimed Water Sales	1,674,036		2,164,601		2,418,598	
Aid in Construction	1,025,091		1,028,100		475,000	
Interest	346,972		152,898		349,262	
Miscellaneous	326,643		600,000		600,000	
<b>Refuse Collection/Disposal, Fund 498</b>	<b>15,471,825</b>	<b>5.2%</b>	<b>16,325,423</b>	<b>4.0%</b>	<b>16,443,046</b>	<b>4.5%</b>
Residential/Apartment Collection	9,658,000		9,561,476		10,735,341	
Commercial Collections	1,888,383		1,575,961		2,193,831	
Interest/Other	2,022,689		3,100,429		1,916,261	
Gross Hauler Fees	1,646,130		1,874,968		1,300,000	
Recycling	256,623		212,589		297,613	
<b>Total Enterprise Funds</b>	<b>\$ 294,914,603</b>	<b>100.0%</b>	<b>\$ 409,924,543</b>	<b>100.0%</b>	<b>\$ 362,038,286</b>	<b>100.0%</b>

**HOUSING AUTHORITY**

<b>Housing Vouchers, Fund 117</b>	<b>8,875,255</b>	<b>100.0%</b>	<b>7,583,433</b>	<b>100.0%</b>	<b>7,660,210</b>	<b>100.0%</b>
<b>Total Housing Authority</b>	<b>\$ 8,875,255</b>	<b>100.0%</b>	<b>\$ 7,583,433</b>	<b>100.0%</b>	<b>\$ 7,660,210</b>	<b>100.0%</b>

**PARKING AUTHORITY**

<b>Parking Authority Cap Proj, Fund 310</b>	<b>863,881</b>	<b>100.0%</b>	<b>753,165</b>	<b>100.0%</b>	<b>725,897</b>	<b>100.0%</b>
<b>Total Parking Authority</b>	<b>\$ 863,881</b>	<b>100.0%</b>	<b>\$ 753,165</b>	<b>100.0%</b>	<b>\$ 725,897</b>	<b>100.0%</b>

**PUBLIC FINANCING AUTHORITY**

<b>Public Financing Authority, Fund 320</b>	<b>\$ 5,264,198</b>	<b>100.0%</b>	<b>\$ 3,605,000</b>	<b>100.0%</b>	<b>\$ 4,120,000</b>	<b>100.0%</b>
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**CITY OF BURBANK**  
**NON-GENERAL FUND REVENUE SUMMARY**  
 (Anticipated Receipts Only -- Excludes Other Sources)

	Actual 2009-10	% OF TOTAL	Adopted 2010-11	% OF TOTAL	Adopted 2011-12	% OF TOTAL
<b>REDEVELOPMENT AGENCY</b>						
Golden State Debt Svc, Fund 201	29,790,018	33.0%	26,770,141	36.3%	26,115,051	34.1%
City Centre Debt Svc, Fund 202	11,105,769	12.3%	10,702,243	14.5%	10,542,948	13.8%
West Olive Debt Svc, Fund 203	11,457,819	12.7%	10,194,074	13.8%	10,827,778	14.2%
So San Fernando Debt Serv, Fund 204	3,288,894	3.6%	2,761,008	3.7%	2,902,088	3.8%
Comm Facilities Dist Debt Serv., Fund 207	592,433	0.7%	585,509	0.8%	587,300	0.8%
West Olive Cap Projects, Fund 303	2,543,204	2.8%	746,220	1.0%	2,235,259	2.9%
Low/Moderate Housing, Fund 305	12,172,064	13.5%	10,333,834	14.0%	10,461,195	13.7%
Merged Capital Project Areas, Fund 306*	19,417,491	21.5%	11,661,330	15.8%	12,848,854	16.8%
Total Redevelopment Agency	\$ 90,367,692	100.0%	\$ 73,754,359	100.0%	\$ 76,520,473	100.0%

<b>TOTAL NON-GENERAL FUND REVENUE</b>	<b>\$ 481,542,019</b>	<b>\$ 570,798,184</b>	<b>\$ 522,682,590</b>
<b>GENERAL FUND RECURRING REVENUE</b>	<b>143,044,903</b>	<b>140,845,964</b>	<b>143,305,520</b>
<b>TOTAL ALL REVENUE</b>	<b>\$ 624,586,922</b>	<b>\$ 711,644,148</b>	<b>\$ 665,988,110</b>

**SPECIAL REVENUE FUNDS/ CAPITAL PROJECT FUND  
REVENUE DESCRIPTIONS**

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**PROPOSITION A – TRANSPORTATION**

**Fund 104**

**Proposition A revenues** represent the City's portion of a special Los Angeles County ½ cent Sales Tax passed by the voters in 1980. Cities are entitled to 25% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively in support of the City's Proposition A/Transportation Fund budget. Revenue growth for these funds is contingent on the County's overall sales growth.

**PROPOSITION C – TRANSPORTATION**

**Fund 105**

**Proposition C revenues** represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 1990. Cities are entitled to 20% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are used exclusively to support the City's Proposition C/Transportation Fund budget.

**AQMD FEES-TRANSPORTATION**

**Fund 106**

The South Coast Air Quality Management District (AQMD) receives a small portion of the annual vehicle registration license fees. The AQMD remits a portion of these revenues to cities for selected anti-pollution/transportation projects. Burbank's revenues are deposited into a special **AQMD Fees-Transportation** Fund for ride-sharing and anti-pollution projects.

**MEASURE R-TRANSPORTATION**

**Fund 107**

Measure R revenues represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 2008. Cities are entitled to 15% of all the ½ cent revenues for a period of 30 years. Distribution to each city is pro-rated based on each city's population. Funds will be utilized for projects that benefit and support local transit services and transportation infrastructure.

**COMMUNITY DEVELOPMENT BLOCK GRANT**

**Fund 122**

The Federal Department of Housing and Urban Development (HUD) created the **Community Development Block Grant (CDBG)** program to revitalize low and moderate income areas within American cities. Burbank's CDBG revenues change each year and have specific restrictions.

**DRUG ASSET FORFEITURE**

**Fund 124**

On July 1, 1996, the **Drug Asset Forfeiture** Fund was established to account for revenues and expenditures. Revenue estimates and appropriations will be made only after drug assets are seized, and the revenues are remitted to the City. Amounts will vary depending on the level of participation by Burbank's officers.

**STATE GAS TAXES**

**Fund 125**

**State Gas Taxes** are derived from State of California taxes on gasoline purchases and are allocated, on a share basis to cities. These revenues are broken down into Section 2105, 2106, and 2107 and are restricted and can only be used on public street construction, improvements, and/or maintenance. Another Section 2107.5 restricts revenue usage to public street engineering costs and administrative/labor expenditures.

**DISASTER RELIEF**

**Fund 126**

**Disaster Relief** monies received from various Federal, State and Regional agencies for reimbursement of City costs incurred from disasters are included in this fund. Due to the nature of the fund, no revenue is currently forecasted.

**SPECIAL REVENUE FUNDS/ CAPITAL PROJECT FUND  
REVENUE DESCRIPTIONS**

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**PUBLIC IMPROVEMENTS**

**Fund 127**

This fund provides for **Public Improvements** through imposition of Development Impact Fees. Public Improvement projects included in this fund are restricted to those designated in the Infrastructure Blueprint and the Community Facilities Element. Activities are restricted to specific projects in the Community Development, Fire, Library, Park, Recreation & Community Services, and Police Departments.

**HOME PROGRAM**

**Fund 128**

This program provides Housing and Urban Development (HUD) funding to increase the affordable housing supply in the City.

**STREET LIGHTING**

**Fund 129**

In-Lieu of Taxes received from Burbank Water and Power (BWP) has 1.5% of their revenues deposited into the **Street Lighting** Fund. Most cities directly charge residents for this service through assessment districts. BWP administers the Street Lighting Fund.

**YOUTH ENDOWMENT SERVICES (YES)**

**Fund 130**

This fund provides for **Youth Endowment Services (YES)** activities. In prior years, the Redevelopment Agency provided 5% of property tax increment growth as revenue and private donations also account for a small portion of revenues. In January 1996, the YES Fund was expanded to include the City's youth employment program, Burbank Employment and Student Training (BEST). The business community has an opportunity to donate funds to pay a portion of the wages for youth employed by private businesses and non-profit organizations. Effective FY 2004-05, Management Services took over administering the YES Fund for the youth employment portion, while Park, Recreation and Community Services Department continues to manage the capital projects portion.

**TIETON HYDRPOWER PROJECT**

**Fund 133**

The **Tieton Hydropower Project** is a hydroelectric power generating plant located at the Tieton Dam on the Tieton River in Yakima County, Washington. This facility was purchased by Southern California Public Power Authority (SCPPA) in November 2009 with 50% shares belonging each to the cities of Burbank and Glendale. Average annual output is 48,000 megawatt hours (MWh). Revenues are billed to recover expenses incurred by the operating agent, Burbank Water and Power.

**MAGNOLIA POWER PROJECT**

**Fund 483**

The **Magnolia Power Project (MPP)** is a combined-cycle natural gas-fired, high efficiency, low polluting generation plant located in Burbank. MPP is jointly owned by the following SCPPA participating cities: Anaheim, Burbank, Cerritos, Colton, Glendale, and Pasadena. MPP commenced commercial operations in September 2005. Peak capacity is 310 megawatts with a forecasted yearly production in excess of 1,600,000 MWh. Revenues are billed to recover expenses incurred by the operating agent, Burbank Water and Power.

**CAPITAL PROJECTS FUND – GENERAL CITY**

**Fund 370**

This fund accounts for the **General City – Capital Projects**. The majority of the funding for this fund comes from contributions from the General Fund (Fund 001). Other funding sources include grants and City Redevelopment funds.

## **CITY OF BURBANK**

### **Internal Service Fund Revenue Summary**

Each of the seven Internal Service Funds will receive adequate revenues in FY 2011-12 to cover this year's appropriations. Internal Service Funds are used for the following purposes:

- 1) Accumulate adequate replacement funds for a variety of capital goods.
- 2) Accumulate adequate maintenance funds for a variety of capital goods.
- 3) Pay for various services provided by one department to other City departments on a cost-reimbursement basis (such as General Liability and Workers' Compensation Insurance).

Each Internal Service Fund receives its revenues via:

- 1) Premium Charges/Rental/Replacement Charges to the applicable user departments.
- 2) Interest/Other.
- 3) Transfers from other funds.

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### **Enterprise Fund Revenue Summary**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. The City of Burbank currently has five Enterprise Funds: Electric (operated by Burbank Water and Power), Water (operated by Burbank Water and Power), Golf (operated by Park, Recreation and Community Services), Water Reclamation & Sewer (operated by Public Works), and Refuse (operated by Public Works).

Each fund must ensure that its revenues cover operating expenses (including depreciation) of providing goods and services to users/customers. Revenues may be comprised of Service Charges/Fees/Sales, Interest and Other Income.

The Electric Fund's budget highlights include: Numerous environmental and conservation programs, implementation of a utility Smart Grid, and electric line upgrades. Electric rates are not scheduled to increase during FY 2011-12. Rates remain very competitive, both locally and regionally.

The Water Fund's budget highlights include: Environmental and conservation programs, and the continued expansion of the recycled water system. A proposed water rate increase of 4.9% is necessary because of water supply issues and water cost escalation beyond the City's control. Other items contributing to the increase include increased costs to: replenish stored groundwater credits, meter and hydrant replacements, security improvements, in addition to the recycled water expansion.

The Golf Fund's budget highlights include the seismic retrofit of three buildings on the golf course premises and fee increases ranging from 5% to 25%. The Water Reclamation & Sewer Fund's proposed budget reflects an overall sewer rate increase of 4%, and the Refuse Fund also includes a proposed refuse rate increase of 8%. These proposed rate increases are a result of increased costs to the funds.

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### **Redevelopment Agency Revenue Summary**

The Redevelopment Agency has a total of eight funds: two Project Area Capital Projects Funds, five Project Area Debt Service Funds and one Low/Moderate Income Housing Capital Projects Fund. Each fund will have adequate revenues to cover operational expenditures and/or debt service obligations.

The primary financing tool available to the Redevelopment Agency is the *tax increment*, as authorized under California law. When a redevelopment project area is first formed, the property tax values at the time of project area formation are frozen, and serve as the “base year” property tax values. When property values increase, through the normal course of redevelopment, the values in excess of the base year are deemed to be the incremental assessed value. Thus, incremental property tax revenues are derived from this incremental assessed value increase.

Since 1977, redevelopment agencies have been required to set aside twenty percent (20%) of their incremental property tax revenues into a fund (Fund 305) to be used solely for low and moderate housing development. Other sources of Agency revenue include land sale proceeds, developer advances, lease revenues, interfund transfers, and interest/investment earnings.

Since 2009, local redevelopment funds have been a target during the State budget process. The Legislature passed a budget bill taking \$2.05 billion statewide from redevelopment agencies during 2009 - 2011. Burbank's portion was \$19.4 million during the two years. In November 2010 California voters enacted Proposition 22 protecting certain local revenues including tax increment associated with redevelopment areas. In June 2011 the State enacted budget related legislation eliminating all local redevelopment agencies (RDA), as well as offering cities the option to continue their RDAs if the host jurisdiction remits continuation payments. On a statewide basis the FY 2011-12 continuation payments total \$1.7 billion and \$400 million in subsequent years. If Burbank opts to make the continuation payments, the FY 2011-12 estimated amount is \$18.6 million, and \$4.4 million in subsequent years.

## **CITY OF BURBANK**

### **Housing Authority Revenue Summary**

The Burbank Housing Authority was formed in 1975 to administer the Section 8 Rental Assistance Program that is funded by the United States Department of Housing and Urban Development (HUD). This Program provides rent subsidy payments directly to landlords on behalf of eligible tenants. The Section 8 Program provides an additional resource for assisting very low-income renters in Burbank.

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### **Parking Authority Revenue Summary**

The Parking Authority has one Capital Projects Fund and one Debt Service Fund. The Debt Service Fund paid off the 1991 bonds during FY 2006-07. Parking revenues are expected to remain constant from last fiscal year. In addition, AMC Theaters provide funds to offset downtown parking structure maintenance costs. The Public Works Department administers the Parking Authority Fund.

**CITY OF BURBANK**  
**Public Financing Authority Revenue Summary**

The Public Financing Authority purchased a portion of the Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A. Those bonds provided funds for the acquisition and construction of various projects within the area. Revenue for this fund is transferred from the Golden State Redevelopment Agency.